

Your _____

Employee Benefits

_____ Handbook

COMEnergy®

Dupre-4767





Commonwealth Energy System
One Main Street
Post Office Box 9150
Cambridge, Massachusetts 02142-9150
Telephone (617) 225-4000

January 1996

Dear Employee:

The ongoing success of Commonwealth Energy System and Subsidiary Companies (the "Company") is the direct result of your hard work and dedication to providing quality products and services to our customers. To support your efforts, the Company offers a comprehensive and competitive benefit program. This program is designed to help provide for your financial security and to help protect you and your family in times of illness and uncertainty.

We have designed this new Employee Benefits Handbook as an easy-to-use reference guide. The new Handbook provides detailed descriptions and examples of your coverage under each benefit plan. A new "Life Events Chart" provides benefit guidance for important personal events such as marriage or the birth of a child. The Handbook also contains a "Benefits Info." section which is designed as a useful place for you to file copies of your benefit newsletters, notices, announcements and correspondence.

You may discard your old Employee Benefits Handbook and recycle its contents. Please keep your new Handbook in a convenient location for easy reference whenever you have questions about your benefits and the coverage that applies to you. Of course, your local Employee Benefits Representatives are available to answer any specific questions which you may have. Your local Employee Benefits Representatives are:

COM/Gas	Carol Cormier	2273
COM/Electric	Don Graham	3259
COM/Energy	Larry Stempkowski	4215

We hope that you find this Handbook to be a valuable resource.

Sincerely,

A handwritten signature in black ink that reads "William G. Poist".

William G. Poist

Dupre-4768

b e n e f i t s

Table of Contents

Life Events Chart	LEC 1 — LEC 3
MEDICAL AND DENTAL PLANS	
Master Medical Plan.....	MM 1 — MM 56
HealthFlex Blue Plan	HFB1 — HFB 63
Dental Blue Plan	DB 1 — DB 31
DeltaPremier II Plan.....	DD 1 — DD 20
GROUP INSURANCE PLANS	
Group Life Insurance Plan and Accidental	
Death and Dismemberment Plan	GLI 1 — GLI 7
Dependent Group Life Insurance Plan	DGL 1 — DGL 3
Survivor Income Benefit Plan	SIB 1 — SIB 3
Business Travel Accident Plan	BTA 1 — BTA 4
RETIREMENT PLANS	
Employees Savings Plan	ESP 1 — ESP 9
Pension Plan	PEN 1 — PEN 15
OTHER	
Long Term Disability Plan	LTD 1 — LTD 6
Child Dependent Care Voucher Program	CDC 1 — CDC 3
ADMINISTRATIVE SECTION	ADM 1 — ADM 9
BENEFITS INFORMATION	
You may use this section to file your personal benefits correspondence.	

benefits

Agent for Service or Legal Process:

Legal process concerning your rights under the Plans and/or under ERISA:

Douglas B. Miller
Director of Labor Relations and Employee Benefits
COM/Energy Services Company
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142-9150
(617) 225-4000

Plan Year:

The Plan Year for all Plans is January 1 through December 31.

Employer Identification Number:

The Employer Identification Number (EIN) issued by the Internal Revenue Service for all Plans is 04-1662010.

Dupre-5015

b e n e f i t s

Administrative Information Section

The previous sections of your Handbook describe the specific provisions of the Plans available to employees of Commonwealth Energy System and Subsidiary Companies (Company). This section of your Handbook describes your rights as prescribed by the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Sponsor for all Plans is:

Commonwealth Energy System and Subsidiary Companies
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142-9150
(617) 225-4000

Plan Administrators:

The Plan Administrator for all Plans excluding the Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies and the Employees Savings Plan of Commonwealth Energy System and Subsidiary Companies is:

COM/Energy Services Company
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142-9150
(617) 225-4000

The Plan Administrator for the Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies is:

The Retirement Board of Commonwealth Energy System and Subsidiary Companies
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142-9150
(617) 225-4000

The Plan Administrator for the Employees Savings Plan for Employees of Commonwealth Energy System and Subsidiary Companies is:

The Savings Plan Board of Commonwealth Energy System and Subsidiary Companies
One Main Street
P.O. Box 9150
Cambridge, Massachusetts 02142-9150
(617) 225-4000

b e n e f i t s

The following is a summary of the Company's Plans, the Plan number and the type of Plan:

Plan Name	Plan Number	Type of Plan
Master Medical Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Master Medical Plan)	501	Welfare Plan
HealthFlex Blue Plan 2 for Employees of Commonwealth Energy System and Subsidiary Companies (HealthFlex Blue Plan 2)	501	Welfare Plan
Group Life Insurance and Accidental Death and Dismemberment Insurance Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Group Life and AD&D Plan)	502	Welfare Plan
Dependent Group Life Insurance Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Dependent Group Life Insurance Plan)	502	Welfare Plan
DeltaPremier II for Employees of Commonwealth Energy System and Subsidiary Companies (DeltaPremier II)	503	Welfare Plan
Dental Blue Program 2 for Employees of Commonwealth Energy System and Subsidiary Companies (Dental Blue Program 2)	503	Welfare Plan
Survivor Income Benefit Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Survivor Income Benefit Plan)	504	Welfare Plan
Long Term Disability Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Long Term Disability Plan)	505	Welfare Plan
Business Travel Accident Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Business Travel Accident Plan)	506	Welfare Plan
Commonwealth Energy System and Subsidiary Companies Child Dependent Care Voucher Program (Child Dependent Care Program)	507	Welfare Plan
Pension Plan for Employees of Commonwealth Energy System and Subsidiary Companies (Pension Plan)	001	Defined Benefit Plan
Employees Savings Plan of Commonwealth Energy System and Subsidiary Companies (Employees Savings Plan)	002	Defined Contribution Plan

Dupre-5016

b e n e f i t s

The following is a summary of the applicable Claims Administrators, Appeals Committee, Board Members, and/or Trustees for each of the Plans:

Plan	Claims Administrator
<ul style="list-style-type: none"> • Master Medical Plan • HealthFlex Blue Plan 2 • Dental Blue Program 2 	Blue Cross and Blue Shield of Massachusetts 100 Summer Street Boston, MA 02110 (617) 832-5000
<ul style="list-style-type: none"> • DeltaPremier II 	Dental Service of Massachusetts, Inc. 10 Presidents Landing P.O. Box 9104 Medford, MA 02155 (617) 393-1234
<ul style="list-style-type: none"> • Group Life and AD&D Plan • Survivor Income Benefit Plan • Dependent Group Life Insurance Plan • Long Term Disability Plan 	John Hancock Mutual Life Insurance Company P.O. Box 3375 Boston, MA 02241 (617) 572-6000
<ul style="list-style-type: none"> • Business Travel Accident Plan 	International Accident Facilities, Inc. 1 State Street Boston, MA 02109 (617) 742-6660
<ul style="list-style-type: none"> • Child Dependent Care Program 	The Voucher Corporation P.O. Box 6045 Lakewood, CA 90714-6045 (800) 531-2828

Dupre-5017

b e n e f i t s

Plan	Appeals Committee Members, Board Members and Agent
<ul style="list-style-type: none"> • Long Term Disability Plan 	<p>Appeals Committee Members:</p> <p>J. R. Williams—Vice President Operations J. D. Rappoli—Financial Vice President and Treasurer M. P. Sullivan—Vice President, Secretary and General Counsel</p>
<ul style="list-style-type: none"> • Pension Plan • Employees Savings Plan 	<p>Board Members:</p> <p>W. G. Poist—President and Chief Executive Officer J. D. Rappoli—Financial Vice President and Treasurer M. P. Sullivan—Vice President, Secretary and General Counsel</p> <hr/> <p>Agent Appointed by the Boards:</p> <p>D. B. Miller Director of Labor Relations and Employee Benefits COM/Energy Services Company One Main Street P.O. Box 9150 Cambridge, MA 02142-9150 (617) 225-4000</p>

Plan	Trustees
<ul style="list-style-type: none"> • Long Term Disability Plan • Pension Plan 	<p>State Street Bank and Trust Company P.O. Box 1992 Boston, MA 02105-1992 (617) 985-4822</p>
<ul style="list-style-type: none"> • Employees Savings Plan 	<p>Vanguard Fiduciary Trust Company Vanguard Financial Center P.O. Box 2900 Valley Forge, PA 19482 (800) 523-1188</p>

Dupre-5018

b e n e f i t s

Funding of the Plans:

The Pension Plan is funded by the Company through contributions determined by an actuary.

The Employees Savings Plan is funded by contributions from Plan participants and the Company.

The insured Welfare Plans are funded by the Company and/or Plan participants according to premiums determined by the insurance carriers.

The self-insured Welfare Plans are funded by the Company and/or Plan participants according to premiums determined by the carriers.

Your Rights Under the Law:

As a participant in the Plans, you have certain legal rights and protections under ERISA which regulates the operation of the Plans and protects the Plan participants and their beneficiaries of certain employee benefits plans in this country. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA, which are described below:

- to examine, without charge, at the Plan Administrator's office and/or at other specified locations, such as worksites and union halls, all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan Administrators with the U.S. Department of Labor, such as detailed annual reports and Summary Plan Descriptions; and
- to obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies; and
- to receive a summary of the Plans' annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of a Summary Annual Report (except the Child Dependent Care Program) and a Summary Plan Description for all Plans.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plans. The people who are responsible for the plans are called "fiduciaries" and have a duty to operate the Plans prudently and in your interest and that of other Plan participants and their beneficiaries.

All claims should be submitted to the Claims Administrator for the Welfare Plans or with the Plan Administrator for the Defined Benefit and Defined Contribution Plans. There are some restrictions on how long you have to file a claim and these restrictions vary according to the Plan. If you would like to file a claim, please contact your Claims Administrator for all Welfare Plans and the Plan Administrator for both the Defined Benefit and the Defined Contribution Plans.

b e n e f i t s

The following is a summary of the Company's Welfare Plans and the time limit for submitting claims:

Plan	Time Limit to file a Claim
• Master Medical Plan • HealthFlex Blue Plan 2 • Dental Blue Program 2 • DeltaPremier II	A claim must be submitted within 2 years from the date the service was rendered.
• Group Life and AD&D Plan • Survivor Income Benefit Plan • Dependent Group Life Insurance Plan	A claim must be submitted within 90 days from the date of your loss.
• Business Travel Accident Plan	A claim must be submitted within 30 days from the initial date of loss, written proof must be provided to the Insurance Carrier within 90 days from the initial date of your loss.
• Long Term Disability Plan	A claim must be submitted no earlier than 90 days after the disability absence begins and no later than 120 days after the qualifying period.
• Child Dependent Care Programs	A claim must be submitted by the March 31st following the year in which your vouchers were issued.

If Your Claim Is Denied:

If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You may have the right to have your claim reviewed and reconsidered. Under ERISA, there are steps you can take to enforce the above rights. For example, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, if for example, the court finds your claim frivolous.

Dupre-5020

b e n e f i t s

If you have any questions about this statement or your rights under ERISA, you should contact the Plan Administrator or the nearest Area Office of the U.S. Labor-Management Service Administration, Department of Labor.

Your Right to Appeal:

You have a right to appeal a claim denial. You must submit a written request for appeal to the applicable Claims Administrator or Plan Administrator after you receive the claim denial notice. You and your representative may review the Plan documents pertinent to your claim and submit written comments and relevant information.

Plan	Time Limit to file an Appeal
• Master Medical Plan • HealthFlex Blue Plan 2 • Dental Blue Program 2	An appeal must be submitted within 2 years from the date your claim is denied.
• DeltaPremier II	An appeal must be submitted within 90 days from the date you receive written notice that your claim is denied.
• Group Life and AD&D Plan • Survivor Income Benefit Plan • Dependent Group Life Insurance Plan	An appeal may not be taken less than 60 days after the written proof of loss has been furnished nor more than 3 years after the time written proof must be furnished.
• Business Travel Accident Plan	An appeal must be submitted within 3 years from the time written proof of loss is received by the Insurance Carrier.
• Long Term Disability Plan	An appeal must be submitted within 75 days of written receipt that your claim is denied.
• Child Dependent Care Program	You may file an appeal by the March 1st following the year in which your vouchers were issued.

Final Decision:

The applicable Appeals Committee, Claims Administrator or Plan Administrator has the authority to make final decisions with respect to paying claims and with respect to all other issues which may arise under the Plans.

Qualified Domestic Relations Order:

The Plans summarized in this Handbook are used exclusively to provide benefits to you, and, in some cases, to your eligible dependents (including survivors, if you

b e n e f i t s

die). With the exception of your life insurance benefits, neither you nor the Company can assign, transfer or attach your benefits or use them for collateral.

Federal law prohibits assignment or attachment of your benefits from these Plans, except under a Qualified Domestic Relations Order (QDRO). A QDRO is a court order, issued in connection with a divorce or family support proceeding, which orders the Plan to pay benefits to someone other than you. The Company must obey these court orders, and any such payment will not violate the rule of non-assignability of benefits.

The Plan Administrator may be required to begin making payments from your Pension Plan or your Employees Savings Plan while you are still working. These payments could exhaust the total value of your accounts.

Title IV of ERISA:

The Pension Plan is insured under Title IV of ERISA by the Pension Benefit Guaranty Corporation. Further information on the provisions of Title IV of ERISA can be obtained from the Plan Agent or the Pension Benefit Guaranty Corporation at the following address:

Pension Benefit Guaranty Corporation
 Office of Communications
 1800K Street
 North Washington
 Washington, DC 20005
 (202) 326-4040

The Employees Saving Plan is not insured under Title IV of ERISA by the Pension Benefit Guaranty Corporation.

COBRA Coverage:

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, you and your eligible dependents have a right to continue coverage for certain periods under group health plans. This federal mandate, which impacts employers that maintain group health plans and have more than twenty employees, protects covered employees and their dependents from losing their health insurance coverage due to certain life changing events. COBRA is not designed to be a permanent vehicle for health insurance coverage, but rather as a temporary extension of health insurance coverage. If you need more information about COBRA, please contact your local Employee Benefits Representative.

Documentation:

The Plans are maintained pursuant to certain collective bargaining agreements. A copy of such agreements may be examined and/or obtained by Plan participants (and their designated beneficiaries) who are members of any such bargaining units, upon written request to the Director of Labor Relations and Employee Benefits of COM/Energy Services Company.



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